

For immediate press release

Shinsei Bank, Limited  
Showa Leasing Co., Ltd.

## **Arrangement of Project Financing for a Megasolar Project in Mukawa-cho, Hokkaido**

Tokyo (Tuesday, February 17, 2015) --- Shinsei Bank, Limited (Chuo-ku, Tokyo; President and CEO Shigeki Toma; hereinafter “Shinsei Bank”) has arranged project financing for a large-scale solar power plant (“megasolar”) with a total generation capacity of approximately 19 megawatts to be built in Mukawa-cho, Yufutsu-gun, Hokkaido, sponsored by Watami Co., Ltd. (Ota-ku, Tokyo; President & CEO Yutaka Kuwabara; hereinafter “Watami”) and Community Solar System Corporation (Sapporo, Hokkaido; Representative Director Ken Yoshizumi; hereinafter “Community Solar System”), and signed a loan related agreement on January 30, 2015.

This project financing is a collaborative effort undertaken together with Showa Leasing Co., Ltd. (Bunkyo-ku, Tokyo; President and CEO Akimasa Tsuchiya; hereinafter “Showa Leasing”), a consolidated subsidiary of Shinsei Bank. Approximately 6 billion yen of the construction costs will be arranged and financed by Shinsei Bank as a syndicated loan, followed by 0.8 billion yen of financing by Showa Leasing after the construction is completed. The Hokkaido Bank, Ltd. (Sapporo, Hokkaido; President Yoshihiro Sekihachi) and Hokuto Bank, Ltd. (Akita, Akita Prefecture; President Eikichi Saito) will also participate in the syndicated loan.

This project follows the megasolar in Atsuma-cho, Hokkaido, the first Watami Group venture into the megasolar business which was started in October 2013 by Watami in collaboration with Community Solar System. A Special Purpose Company (SPC) funded by Watami Farm & Energy Co., Ltd., Watami’s 100% owned subsidiary, and Community Solar System will construct a megasolar on an approximately 35 hectare site in Mukawa-cho. The commencement of plant operations is scheduled for March 2016.

Showa Leasing has provided financing for the Watami Group since fiscal year 2010 in order to support the Watami Group’s initiatives to reinforce their renewable energy business and to promote CO2 reductions within the Group, such as Energy Service Company\* (“ESCO”) type financing for implementing LED lighting in the restaurants operated by the Watami Group, and the provision of a finance function upon the Watami Group’s entry into the wind power generation business. These relations are what led to the Shinsei Bank Group’s financing of this megasolar project.

As part of the Shinsei Bank Group’s business strategy for institutional customers in its Second Medium-Term Management Plan, the renewable energy business is one of our focus areas. Shinsei Bank has been enhancing project financing and its involvement in arrangements in the renewable energy business since 2012, and has arranged the financing of many projects. Showa Leasing provides a wide range of solutions for companies promoting environmental management, such as supporting the deployment of renewable energy mainly in solar power generation systems, promoting the introduction of environmentally friendly products through ESCO type financing, and providing consultations regarding the installation of energy saving facilities. Shinsei Bank will continue to utilize the expertise of its Group companies to proactively enhance its initiatives in this business area.

\*A business that suggests options to improve energy efficiency of factories, office buildings, and commercial facilities, guarantees energy use reduction, and receives remuneration from the reduced energy cost.

### [Outline of the project]

Project name:	Mukawa Megasolar Business
Power generating capacity:	Approximately 19 megawatts
Project location:	Mukawa-cho, Yufutsu-gun, Hokkaido
Business entity:	Hokkaido Solar Management Co., Ltd.
Sponsor:	Watami Co., Ltd., Community Solar System Corporation
Commencement of operation:	March 2016 (scheduled)

[Outline of Watami Co., Ltd.]

Name: Watami Co., Ltd.  
Representative: President & CEO Yutaka Kuwabara  
Location of Headquarters: 1-1-3 Haneda, Ota-ku, Tokyo  
Paid-in capital: 4.41 billion yen (as of March 31, 2014)

[Outline of Shinsei Bank, Limited]

Name: Shinsei Bank, Limited  
Representative: President and CEO Shigeki Toma  
Location of Headquarters: 2-4-3 Nihonbashi-muromachi, Chuo-ku, Tokyo  
Paid-in capital: 512.2 billion yen (as of March 31, 2014)

[Showa Leasing Co., Ltd.]

Name: Showa Leasing Co., Ltd.  
Representative: President and CEO Akimasa Tsuchiya  
Location of Headquarters: Kouraku Mori Building, 1-4-14 Kouraku, Bunkyo-ku, Tokyo  
Paid-in capital: 29.36 billion yen (as of March 31, 2014)

[Outline of loan agreement]

Borrower: Hokkaido Solar Management Co., Ltd.  
Senior lender: Shinsei Bank, Limited (lead manager and loan agency)  
Participating banks: The Hokkaido Bank, Ltd. and Hokuto Bank, Ltd.  
Junior lender: Showa Leasing Co., Ltd. (co-arranger)  
Loan amount: Total of approximately 6.8 billion yen  
Contract date: January 30, 2015